

# STAFF REPORT

## City of Lancaster

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DATE: May 10, 2011

TO: Mayor Parris and City Council Members

FROM: Vern Lawson Jr., Economic Development/Redevelopment Director

SUBJECT: **The Winning Pitch – A “Dating Service” Designed To Find Funding For Entrepreneurs By Matching Them With Investors**

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### **Recommendation:**

Approve a new program which connects aspiring entrepreneurs with funding sources for new business endeavors in the City of Lancaster and authorize the City Manager or his designee to execute all necessary documents.

### **Fiscal Impact:**

None. The program will be funded by a small business development grant from Wells Fargo and entrepreneurs will be funded by angel investors.

### **Background:**

The Winning Pitch began with a desire to help small businesses during this harsh economy, in which it is extremely difficult for small businesses to find funding to grow or expand. Inspired by the television show “Shark Tank,” local entrepreneur Scott Ehrlich approached City of Lancaster staff with the idea of this new opportunity to promote small business development in the downtown area and beyond.

Lancaster’s version of this idea will be called The Winning Pitch. Through this program, entrepreneurs will have an opportunity to pitch their businesses to a group of potential investors, thus giving them the opportunity to obtain funding to launch or expand. This program will be supported by collaboration between Wells Fargo Bank, InSite Development, the Antelope Valley Jaycees, the Small Business Development Center (SBDC) and the City of Lancaster. Angel investors invited to participate by Ehrlich and the SBDC will provide a potential source of funding for the entrepreneurs.

The program is designed to consider any type of business. Pending Council approval, participants will be able to submit a video pitch as well as supporting documents to the program staff via the website [www.winningpitch.org](http://www.winningpitch.org) by 11:59 PM PST on Friday, May 27th. During the week of May 30th, staff will select the top ten applicants, who will then be given an opportunity to make their pitch to the investor panel during the week of June 13th. If investors are interested, they will arrange follow-up meetings with the selected entrepreneurs to pencil out the terms of their investment. Participants must consider locating business in Lancaster.

It is important to note that the City of Lancaster will not be supporting or endorsing any business selected by the panel of investors. Lancaster will not be supporting or endorsing any of the investors, either. The City will merely be the conduit to connect entrepreneurs with investors. It is the responsibility of both the investors and the entrepreneurs to perform their own due diligence.

Matching investors with business entrepreneurs is a feasible way to encourage economic development within the City of Lancaster. We believe that this program will be able to successfully attract and fund many pitches.

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